



FINANCIAL STATEMENTS

New York City Energy Efficiency Corporation
(a component unit of The City of New York)
Year Ended June 30, 2012
With Report of Independent Auditors

Ernst & Young LLP

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New York City Energy Efficiency Corporation
(a component unit of The City of New York)

Financial Statements

Year Ended June 30, 2012

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Report of Independent Auditors

The Board of Directors
New York City Energy Efficiency Corporation

We have audited the accompanying balance sheets of New York City Energy Efficiency Corporation (the “Corporation”), a component unit of The City of New York, as of June 30, 2012 and 2011 and the related statements of revenues, expenses and changes in fund net assets and cash flows for the year ended June 30, 2012. These financial statements are the responsibility of the Corporation’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Corporation’s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York City Energy Efficiency Corporation as of June 30, 2012 and 2011, and the changes in its financial position and its cash flows for the year ended June 30, 2012 in conformity with US generally accepted accounting principles.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated September 14, 2012 on our consideration of the Corporation’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States require that management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Ernst & Young LLP

September 14, 2012

Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of the
Financial Statements Performed in Accordance
with *Government Auditing Standards*

The Board of Directors
New York City Energy Efficiency Corporation

We have audited the financial statements of the New York City Energy Efficiency Corporation (the “Corporation”), a component unit of The City of New York, as of and for the year ended June 30, 2012, and have issued our report thereon dated September 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Corporation is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Corporation’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation’s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, federal awarding agencies and The City of New York and is not intended to be and should not be used by anyone other than these specified parties.

Ernst + Young LLP

September 14, 2012

New York City Energy Efficiency Corporation
(a component unit of The City of New York)

Management's Discussion and Analysis

Year Ended June 30, 2012

This section of the New York City Energy Efficiency Corporation ("NYCEEC" or the "Corporation") annual financial report presents our discussion and analysis of financial performance during the year ended June 30, 2012. Please read it in conjunction with the financial statements and accompanying notes, which follow this section.

Overview of the Financial Statements

This annual report consists of two parts: *Management's discussion and analysis (this section) and the basic financial statements.*

NYCEEC is considered a component unit of The City of New York (the "City") for financial reporting purposes of the City. The City created NYCEEC as a mission-driven, non-profit corporation to assist with the implementation of the City's Greener, Greater Buildings Plan and to advance the goals of PlaNYC. PlaNYC is the City's long-term plan for sustainable growth through 2030. PlaNYC outlines ten goals, in such areas as energy, housing, transportation, air quality, parks and public space, to achieve a "greener, greater" New York, and to ultimately reduce the City's greenhouse gas emissions 30% by 2030.

NYCEEC's mission is to support the City's energy and climate action goals by catalyzing an energy efficiency retrofit financing market for private building owners. To achieve this mission, NYCEEC's strategic plan includes the following goals: (1) develop in-house capabilities that will permit NYCEEC to play a critical role in catalyzing retrofit financing markets, (2) pilot various financing products that demonstrate that energy efficiency is a commercially viable investment that can be financed in various private building sectors that are significant from the perspective of the City's greenhouse gas emissions reduction goals and (3) develop a non-profit organization with a business model that can become financially self-sustaining over time without excessive reliance on grant funding. NYCEEC is developing core in-house capabilities to make construction and permanent loans, provide credit enhancement, and manage both energy efficiency retrofit technical and real estate finance risk. NYCEEC is engaged in educating various lending organizations about opportunities to finance energy efficiency projects while encouraging best practices with respect to retrofit implementation and ongoing performance monitoring.

NYCEEC's activities are funded through two Federal grants, the Competitive Better Buildings grant and the Formula grant, awarded to the City under the Energy Efficiency and Conservation Block Grant ("EECBG") provisions of the American Recovery and Reinvestment Act of 2009 ("ARRA"). NYCEEC's activities are further funded through several philanthropic grants that NYCEEC was awarded in fiscal year 2012.

New York City Energy Efficiency Corporation
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Management's Discussion and Analysis (continued)

Year Ended June 30, 2012

NYCEEC generates income from interest and fees on loans and credit enhancement facilities.

In 2012, NYCEEC closed its first financing transaction, in which NYCEEC provided credit enhancement in the amount of \$190,000 to facilitate the closing of a commercial loan that finances the installation and operation of energy efficiency measures in a commercial office condominium at 125 Maiden Lane in Manhattan. Also in 2012, NYCEEC advanced the identification, design and negotiation of additional financing transactions for energy efficiency retrofit projects in individual buildings and for portfolios of such retrofit projects in multiple buildings. These transactions include, among others, a credit enhancement facility designed to provide affordable financing for energy efficient fuel conversion projects in multifamily properties expected to be located primarily in the Bronx.

NYCEEC is a self-supporting entity and follows enterprise fund reporting. Enterprise fund statements offer short-term and long-term financial information about the Corporation's activities. The Corporation operates in a manner similar to a private business.

Financial Analysis of the Corporation

Net Assets – The following table summarizes the Corporation's financial position at June 30, 2012 and 2011 (\$ in thousands) and the percentage changes between June 30, 2012 and 2011:

	2012	2011	2012 – 2011
Current assets	\$ 1,497	\$ 196	664%
Noncurrent assets	31,837	14,000	127
Total assets	33,334	14,196	135
Current liabilities	1,495	196	663
Total restricted net assets	\$ 31,839	\$ 14,000	127%

In fiscal year 2012, current assets increased by approximately \$1.3 million or 663% primarily as a result of private foundation grants received for the purposes specified in the applicable grant agreements. These purposes include general organizational development, strategic planning and additions to staff.

New York City Energy Efficiency Corporation
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Management's Discussion and Analysis (continued)

Year Ended June 30, 2012

In fiscal year, 2012, noncurrent assets increased by approximately \$17.8 million or 127% as a result of receiving a payment of \$17,824,657 from the City, pursuant to a Better Buildings grant awarded under ARRA to the City for the purposes of further capitalization of NYCEEC's retrofit financing programs.

The Corporation's net assets increased by approximately \$17.8 million or 127% in fiscal year 2012 primarily as a result of funds received from the City under the terms and conditions of the contract related to the Better Buildings grant described in the immediately preceding paragraph and executed in October of 2011.

Operating Activities

The following table summarizes the Corporation's change in net assets for fiscal year 2012 (\$ in thousands):

Operating revenue	\$ 14
Operating expenses	(1,706)
Operating loss	(1,692)
Nonoperating revenues	19,531
Change in net assets	17,839
Beginning net assets	14,000
Ending net assets	\$ 31,839

NYCEEC is the sub-recipient of two Federal EECBG grants. NYCEEC also has been awarded \$1.9 million in private foundation funding in fiscal year 2012, of which \$900,000 was received. This private foundation funding is being used to supplement federal grant operational funds in fiscal year 2012 and future fiscal years. For the year ended June 30, 2012, approximately \$30,000 of allowable expenditures of the private grant funds were incurred, and therefore an equal amount was recognized as grant revenue. NYCEEC continues to seek funding from private philanthropic foundations for its operations and programs.

To date, NYCEEC has earned credit enhancement fee income of \$14,250. NYCEEC recognized approximately \$19.5 million of grant revenue under the two EECBG grant awards during 2012.

NYCEEC incurred operating expenses totaling \$1.7 million during the fiscal year ended June 30, 2012. These expenses consist primarily of consulting expenses and personnel expenses in the amounts of approximately \$736,000 and \$689,000, respectively. Consulting expenses relate to

New York City Energy Efficiency Corporation
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Management's Discussion and Analysis (continued)

Year Ended June 30, 2012

contracts with Forsyth Street Advisor LLC, financial advisors to NYCEEC, as well as other consulting contracts.

Contacting the Corporation's Financial Management

This financial report is designed to provide our customers, clients and creditors with a general overview of Corporation's finances and to demonstrate the Corporation's accountability for the resources at its disposal. If you have any questions about this report or need additional financial information, contact the New York City Energy Efficiency Corporation, 110 William Street, 3rd Floor, New York, NY 10038, or info@nyceec.com.

New York City Energy Efficiency Corporation
(a component unit of The City of New York)

Balance Sheets

	June 30	
	2012	2011
Assets		
Current assets:		
Cash	\$ 1,037,705	\$ 175,012
Grant receivable	453,807	17,613
Prepaid expense	5,128	3,546
Total current assets	1,496,640	196,171
Noncurrent assets:		
Restricted cash	31,646,907	14,000,000
Restricted cash equivalents – credit enhancement	190,000	–
Total noncurrent assets	31,836,907	14,000,000
Total assets	\$ 33,333,547	\$ 14,196,171
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 623,102	\$ 195,515
Unearned revenue	870,414	–
Other current liabilities	1,090	656
Total current liabilities	1,494,606	196,171
Net assets restricted by agreement	31,838,941	14,000,000
Total liabilities and net assets	\$ 33,333,547	\$ 14,196,171

See accompanying notes.

New York City Energy Efficiency Corporation
(a component unit of The City of New York)

Statement of Revenues, Expenses and Changes in Fund Net Assets

Year Ended June 30, 2012

Operating revenues:	
Credit enhancement fees	\$ 14,250
Total operating revenues	<u>14,250</u>
Operating expenses:	
Consulting costs	736,400
Contract costs	204,463
Administrative expenses	76,404
Personnel costs	<u>688,981</u>
Total operating expenses	<u>1,706,248</u>
Operating loss	(1,691,998)
Nonoperating revenues:	
Grant revenue	19,530,456
Program income –interest	<u>483</u>
Total nonoperating revenues	<u>19,530,939</u>
Change in net assets	17,838,941
Net assets, restricted, beginning of year	<u>14,000,000</u>
Net assets, restricted, end of year	<u><u>\$ 31,838,941</u></u>

See accompanying notes.

New York City Energy Efficiency Corporation
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Statement of Cash Flows

Year Ended June 30, 2012

Cash flows from operating activities	
Operating expenses paid	\$ (1,279,809)
Credit enhancement fee received	14,250
Net cash used in operating activities	<u>(1,265,559)</u>
Cash flows from investing activities	
Program income – interest	483
Net cash provided by investing activities	<u>483</u>
Cash flows from non-capital financing activities	
Grants received	19,964,676
Net cash provided by non-capital financing activities	<u>19,964,676</u>
Net increase in cash and cash equivalents	18,699,600
Cash and cash equivalents, beginning of year	14,175,012
Cash and cash equivalents, end of year	<u><u>\$ 32,874,612</u></u>
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	\$ (1,691,998)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Prepaid expenses	(1,582)
Accounts payable and accrued expenses	427,587
Other	434
Net cash used in operating activities	<u><u>\$ (1,265,559)</u></u>

See accompanying notes.

New York City Energy Efficiency Corporation
(a component unit of The City of New York)

Notes to Financial Statements

June 30, 2012

1. Background and Organization

New York City Energy Efficiency Corporation (“NYCEEC” or the “Corporation”), a component unit of the City of New York (the “City”), is a not-for-profit corporation organized in fiscal year 2011 to further the City’s greenhouse gas reduction plans by facilitating energy efficiency investments by private building owners in the five boroughs through the provision of energy efficiency financing products. NYCEEC is a consultant to the City, and the sub-recipient of two Federal grants awarded to the City under the Energy Efficiency and Conservation Block Grant (“EECBG”) provisions of the American Recovery and Reinvestment Act of 2009 (“ARRA”).

To achieve its mission, NYCEECs strategic plan includes the following goals: (1) develop in-house capabilities that will permit NYCEEC to play a critical role in catalyzing retrofit financing markets, (2) pilot various financing products that demonstrate that energy efficiency is a commercially viable investment that can be financed in various private building sectors that are significant from the perspective of the City’s greenhouse gas emissions reduction goals and (3) develop a non-profit organization with a business model that can become financially self-sustaining over time without excessive reliance on grant funding.

NYCEEC is developing core in-house capabilities to make construction and permanent loans, provide credit enhancement, and manage both energy efficiency retrofit technical and real estate finance risk. NYCEEC is engaged in educating various lending organizations about opportunities to finance energy efficiency projects while encouraging best practices with respect to retrofit implementation and ongoing performance monitoring.

NYCEEC’s activities are primarily funded through two Federal EECBG grants awarded to the City under the EECBG provisions of the ARRA. NYCEEC’s activities are further funded through several philanthropic grants that NYCEEC was awarded in fiscal year 2012.

NYCEEC is governed by a Board of Directors whose membership includes public officials and private individuals. Each Director was appointed by the Mayor of New York City (the “Mayor”), NYCEEC’s sole Member. The determination that NYCEEC is a component unit of the City is based on the Mayor’s ability to appoint and remove NYCEEC’s Board of Directors. In accordance with its governing documents, the NYCEEC CEO and other NYCEEC officers have the responsibility to approve or disapprove financing transactions.

New York City Energy Efficiency Corporation
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Notes to Financial Statements (continued)

1. Background and Organization (continued)

On May 31, 2012, NYCEEC established the NYCEEC Fuel Conversion Receivables LLC (“LLC”) to participate in a \$10 million loan facility developed by NYCEEC, JPMorgan Chase & Co. and Hess Corporation. NYCEEC is the sole member of the LLC, which is considered a blended component unit of NYCEEC for financial reporting purposes. During the period from May 31, 2012 to June 30, 2012, except for the legal costs incurred to establish the LLC, there were no financial transactions relating to the LLC. NYCEEC covered all of the legal costs, which amounted to \$95,000.

2. Summary of Significant Accounting Policies

Basis of Presentation

NYCEEC has been classified as an “enterprise fund” as defined by the Government Accounting Standards Board (“GASB”), and as such the financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States.

Cash and Cash Equivalents

Restricted and unrestricted cash represents amounts deposited with banks. Restricted cash are the EECBG funds received from the City used to capitalize a revolving loan fund and credit enhancement fund. Restricted cash equivalents of \$190,000 represent funds set aside for the one credit enhancement transaction closed in 2012 held in a business investment deposit account.

Revenue and Expense Classification

Operating revenues consists of income from interest and fees on loans and credit enhancement facilities. Such income is recognized when earned. NYCEEC’s operating expenses include contract fees, personnel services and related administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is NYCEEC’s policy to use the appropriate funding source based on the activity being undertaken.

New York City Energy Efficiency Corporation
(a component unit of The City of New York)

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Grants

Grant funds from the City used to capitalize NYCEEC's revolving loan fund and credit enhancement fund are recorded as grant revenue upon receipt. Reimbursement funds from the City and private foundations are recorded as revenue when the allowable program costs are incurred. The differences between the program costs incurred and the related receipts are reflected as grant receivable or as unearned revenue in the accompanying balance sheets.

Allowance for Uncollectible Amounts

NYCEEC provides an allowance for possible uncollectible amounts based on analysis of receivables deemed to be uncollectible. As of June 30, 2012, NYCEEC did not have any allowances for uncollectible amounts.

Tax Status

NYCEEC has applied for tax exempt status under 501(c)(3) of the Internal Revenue Code and is awaiting this designation which is anticipated to occur in FY13.

Reclassifications

Certain prior year amounts shown in the accompanying financial statements have been reclassified to conform to current year presentation.

Upcoming Accounting Pronouncements

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* ("GASB No. 63"). This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflow of resources. Deferred outflows is defined as the consumption of net assets by the government that is applicable to a future reporting period and deferred inflows is defined as the acquisition of net assets by the government that is applicable to a future reporting period. GASB No. 63 also amends the net asset reporting requirement by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The provisions of this Statement are effective for financial statements for the periods beginning after December 15, 2011. NYCEEC has not completed the process for evaluating the impact that will result from adopting GASB 63.

New York City Energy Efficiency Corporation
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Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

In June 2011, GASB issued Statement No. 64, *Derivative Instruments; Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*. The objective of this Statement is to clarify the termination provisions in GASB No. 53, when a counterparty of an interest rate or commodity swap is replaced. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2011. The Corporation does not anticipate the implementation of this standard will have an impact on its financial statements.

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* (“GASB No. 65”). This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement will improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012. NYCEEC has not completed the process of evaluating the impact that will result from adopting GASB 65.

3. Cash and Cash Equivalents

At year end, NYCEEC’s operating account bank balance was \$424,806. Of this amount, \$250,000 was covered by Federal Depository Insurance Company’s (“FDIC”) general deposit insurance. NYCEEC’s payroll account bank balance was \$83,190 and fully covered by FDIC general deposit insurance at June 30, 2012. Lastly, at June 30, 2012, NYCEEC’s credit enhancement account bank balance was \$190,000. This amount was held in a business investment deposit account and fully covered by FDIC general deposit insurance. The remaining \$32,203,729 was held in non-interest bearing accounts and fully insured by FDIC through December 31, 2013. This temporary unlimited coverage for non-interest bearing accounts is in addition to, and separate from, the coverage available to depositors under the FDIC’s general deposit insurance rules.

New York City Energy Efficiency Corporation
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Notes to Financial Statements (continued)

4. Grants

NYCEEC was awarded an allocation from the City under the EECBG in an amount not to exceed \$37.5 million. From inception to June 30, 2012, NYCEEC received \$33,161,143 from the City. Of this amount, a total of \$31,824,657 was used to capitalize a revolving loan fund and credit enhancement fund and has been recorded as grant revenue. The remainder of funds received have been used for staffing and other administrative expenses and recorded as revenue as the related costs were incurred. NYCEEC recorded \$453,807 and \$17,613 as grant receivable from the City at June 30, 2012 and 2011, respectively, for expenditures incurred and not yet remitted. The City shall make further allocations to NYCEEC upon request and submission of the appropriate documentation by NYCEEC for allowable costs under the terms of the grant awards.

NYCEEC was awarded a total of \$1.9 million in private foundation funding in fiscal year 2012. Of this amount, \$900,000 was received in fiscal year 2012 and recorded as unearned revenue upon receipt. For the year ended June 30, 2012, \$29,586 of allowable expenditures of the private grant funds were incurred and recognized as grant revenue. The remaining \$870,414 was unearned revenue at June 30, 2012. The Corporation expects to receive and expend the remaining \$1 million of funds awarded in fiscal year 2013.

5. Contract Fees

To support its activities, NYCEEC entered into a contract with the New York City Economic Development Corporation (“EDC”), a not-for-profit local development corporation and a component unit of the City. Under the terms set forth in the EDC and NYCEEC Agreement, EDC is to provide NYCEEC with professional, clerical and technical assistance it needs to accomplish its objectives. These services include accounting, human resources, banking services, management information, compliance and similar services.

EDC bills NYCEEC for its staff services at its standard rate. Such fees amounted to \$204,463 and \$51,087 for the year ended June 30, 2012 and the period from October 31, 2010 (date of inception) to June 30, 2011, respectively.

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Notes to Financial Statements (continued)

6. Risk Management

NYCEEC has standard commercial insurance coverage to mitigate typical operational risk.

NYCEEC extends financing for energy efficiency retrofit projects and in this capacity NYCEEC is exposed to the risk of non-payment of fees, interest and return of principal. In cooperation with its Board of Directors and consultants, NYCCEC has instituted transaction-specific underwriting standards, due diligence and credit approval procedures, and monitoring procedures to mitigate these risks.

7. Subsequent Events

NYCEEC closed its second transaction on July 3, 2012. This was a \$10 million loan facility developed jointly by JPMorgan Chase & Co., Hess Corporation and NYCEEC. The facility permits multifamily residential buildings, located primarily in the Bronx, to finance conversions from heavy fuel to natural gas with no upfront cost. As discussed in Note 1, NYCEEC established the NYCEEC Fuel Conversion Receivables LLC to participate in the facility, and which provided \$2 million of credit enhancement.

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